

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6282

BILL NUMBER: HB 1029

NOTE PREPARED: Nov 30, 2009

BILL AMENDED:

SUBJECT: Lobbyists; Campaign Contributions.

FIRST AUTHOR: Rep. Day

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
☒ **DEDICATED**
☐ **FEDERAL**

IMPACT: State & Local

Summary of Legislation: *Lobbyist Gifts:* This bill provides that a member of the General Assembly, a candidate for a legislative office, an officer of the General Assembly, an employee of the General Assembly, or a member of the immediate family of any of these persons may not accept a gift from a lobbyist. It provides that a lobbyist may not give a gift to any of these persons, but it provides an exception for members of an immediate family. It also provides that a violation of any of the prohibitions on giving or accepting gifts from lobbyists is a Class B misdemeanor.

Lobbying: The bill provides that an individual who has served as a member of the General Assembly may not register as a legislative branch lobbyist during the period that ends two years after the date the individual ceases to be a member of the General Assembly. It provides that the prohibition applies only to an individual who ceases to be a member of the General Assembly after June 30, 2010.

Campaign Contributions: The bill establishes limits on contributions made to individual candidates for state offices and legislative offices by corporations, labor organizations, political action committees, and persons other than political party committees and candidates' committees. It also provides civil and criminal penalties for violations.

Effective Date: July 1, 2010; January 1, 2011.

Explanation of State Expenditures: *Lobbyist Gifts:* This bill prohibits: (1) a candidate for a legislative office, an officer of the General Assembly, an employee of the General Assembly, or a member of the immediate family of any of these persons from accepting gifts from lobbyists; and (2) lobbyists giving gifts to any of these people. These provisions could increase administrative expenditures of the Indiana Lobby

Registration Commission (ILRC) by requiring the ILRC to amend gift reporting forms and procedures for both lobbyists and legislators. It is estimated that these provisions could be implemented through the use of existing staff and resources. The ILRC is responsible for creating the forms for reporting gifts to legislators. The ILRC is also required to prepare, publish, index, and make these reports available for public inspection.

Explanation of State Revenues: *Penalty Provisions:* A person who violates the legislative gift provisions of this bill commits a Class B misdemeanor. The bill also sets limits on contributions made to individual candidates for state offices and legislative offices by corporations, labor organizations, political action committees, and persons other than political party committees and candidates' committees, and provides that those who exceed the limitations on contributions commit a Class B misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund (from fines) and the state General Fund (from court fees) would increase. The maximum fine for a Class B misdemeanor is \$1,000. However, any additional revenue would likely be small.

Additionally, the bill adds civil penalty provisions for those who exceed the limitations on contributions. The limitations on contributions are no more than \$1,000 to each candidate for a state office, and no more than \$500 to each candidate for a legislative office. The Election Commission may assess a civil penalty that is no more than three times the amount of the contribution in excess of these limitations. This is in addition to any investigative costs incurred. Any penalties collected will be distributed to the Campaign Finance Enforcement Account.

Background Information - Campaign Finance Enforcement Account: Election law civil penalties for state and federal offices are placed in the Campaign Finance Enforcement Account. The Campaign Finance Enforcement Account is used for the enforcement of campaign laws and creating and operating a campaign finance computer system, including the investment in technology to expand the capabilities of the computer system. The Campaign Finance Enforcement Account received \$18,351 in revenue in FY 2009.

Explanation of Local Expenditures: *Penalty Provision:* A person who violates the legislative gift and campaign contribution provisions of this bill commits a Class B misdemeanor. A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Penalty Provisions:* A person who violates the legislative gift and campaign contribution provisions of this bill commits a Class B misdemeanor. If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from court fees. However, any change in revenue would likely be small.

State Agencies Affected: ILRC; Election Commission.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Auditor's Data.

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